

RECEIVED

OCT 30 2007

PUBLIC SERVICE
COMMISSION

October 30, 2007

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

Re: Columbia Gas of Kentucky, Inc.
Gas Cost Adjustment Case No. 2007 - 00467

Dear Ms. O'Donnell:

Pursuant to the Commission's Order dated January 30, 2001 in Administrative Case No. 384, Columbia Gas of Kentucky, Inc. ("Columbia") hereby encloses, for filing with the Commission, an original and six (6) copies of data submitted pursuant to the requirements of the Gas Cost Adjustment Provision contained in Columbia's tariff for its December quarterly Gas Cost Adjustment ("GCA").

Columbia proposes to increase its current rates to tariff sales customers by \$0.3959 per Mcf effective with its December 2007 billing cycle on November 29, 2007. The increase is composed of an increase of \$0.4263 per Mcf in the Average Commodity Cost of Gas, and a decrease of \$0.0304 per Mcf in the Average Demand Cost of Gas.

Please feel free to contact me at 859-288-0242 if there are any questions.

Sincerely,



Judy M. Cooper
Director, Regulatory Policy

Enclosures

BEFORE THE
PUBLIC SERVICE COMMISSION
OF KENTUCKY

COLUMBIA GAS OF KENTUCKY, INC.

CASE 2007 -

GAS COST ADJUSTMENT AND REVISED RATES OF
COLUMBIA GAS OF KENTUCKY, INC. PROPOSED TO BECOME
EFFECTIVE DECEMBER 2007 BILLINGS

Columbia Gas of Kentucky, Inc.
Comparison of Current and Proposed GCAs

<u>Line</u> <u>No.</u>	September-07 <u>CURRENT</u>	December-07 <u>PROPOSED</u>	<u>DIFFERENCE</u>
1 Commodity Cost of Gas	\$8.2708	\$8.6971	\$0.4263
2 Demand Cost of Gas	\$1.3647	\$1.3343	(\$0.0304)
3 Total: Expected Gas Cost (EGC)	\$9.6355	\$10.0314	\$0.3959
4 SAS Refund Adjustment	(\$0.0002)	(\$0.0002)	\$0.0000
5 Balancing Adjustment	\$0.0211	\$0.0211	\$0.0000
6 Supplier Refund Adjustment	(\$0.0065)	(\$0.0065)	\$0.0000
7 Actual Cost Adjustment	\$0.5382	\$0.5382	\$0.0000
8 Gas Cost Incentive Adjustment	\$0.0051	\$0.0051	\$0.0000
9 Cost of Gas to Tariff Customers (GCA)	\$10.1932	\$10.5891	\$0.3959
10 Transportation TOP Refund Adjustment	\$0.0000	\$0.0000	\$0.0000
11 Banking and Balancing Service	\$0.0207	\$0.0207	\$0.0000
12 Rate Schedule FI and GSO			
13 Customer Demand Charge	\$6.5814	\$6.5814	\$0.0000

Columbia Gas of Kentucky, Inc.
Gas Cost Adjustment Clause
Gas Cost Recovery Rate
 Dec 07 - Feb. 08

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>	<u>Expires</u>
1	Expected Gas Cost (EGC)	Schedule No. 1	\$10.0314	
2	Actual Cost Adjustment (ACA)	Schedule No. 2	\$0.5382	8-31-08
3	SAS Refund Adjustment (RA)	Schedule No. 5	(\$0.0002)	8-31-08
4	Supplier Refund Adjustment (RA)	Schedule No. 4	(\$0.0065)	05-31-08
		Total Refunds	<u>(\$0.0065)</u>	
5	Balancing Adjustment (BA)	Schedule No. 3	\$0.0211	2-28-08
6	Gas Cost Incentive Adjustment	Schedule No. 6	\$0.0051	2-28-08
		Total GCIA	<u>\$0.0051</u>	
7	Gas Cost Adjustment			
8	Dec 07 - Feb. 08		<u>\$10.5891</u>	
9	Expected Demand Cost (EDC) per Mcf			
10	(Applicable to Rate Schedule IS/SS and GSO) Schedule No. 1, Sheet 4		<u>\$6.5814</u>	

DATE FILED: October 30, 2007

BY: J. M. Cooper

Columbia Gas of Kentucky, Inc.
Expected Gas Cost for Sales Customers
 Dec 07 - Feb. 08

Schedule No. 1
 Sheet 1

Line No.	Description	Reference	Volume A/		Rate		Cost (5)
			Mcf (1)	Dth. (2)	Per Mcf (3)	Per Dth (4)	
Storage Supply							
Includes storage activity for sales customers only							
Commodity Charge							
1	Withdrawal			(4,849,000)		\$0.0153	\$74,190
2	Injection			27,000		\$0.0153	\$413
3	Withdrawals: gas cost includes pipeline fuel and commodity charges			4,822,000		\$7.4754	\$36,046,546
Total							
4	Volume	= 3		4,822,000			
5	Cost	sum(1:3)					\$36,121,149
6	Summary	4 or 5		4,822,000			\$36,121,149
Flowing Supply							
Excludes volumes injected into or withdrawn from storage.							
Net of pipeline retention volumes and cost. Add unit retention cost on line 17							
7	Non-Appalachian	Sch.1, Sht. 5, Ln. 4		1,526,000			\$12,652,000
8	Appalachian Supplies	Sch.1, Sht. 6, Ln. 4		202,000			\$1,614,000
9	Less Fuel Retention By Interstate Pipelines	Sch. 1,Sheet 7, Lines 21, 22		(201,000)			(\$1,590,686)
10	Total	7 + 8 + 9		1,527,000			\$12,675,314
Total Supply							
11	At City-Gate	Line 6 + 10		6,349,000			\$48,796,462
Lost and Unaccounted For							
12	Factor					-0.9%	
13	Volume	Line 11 * 12		(57,141)			
14	At Customer Meter	Line 11 + 13		6,291,859			
15	Sales Volume	Line 14	5,944,689	6,291,859			
Unit Costs \$/MCF							
Commodity Cost							
16	Excluding Cost of Pipeline Retention	Line 11 / Line 15				\$8.2084	
17	Annualized Unit Cost of Retention	Sch. 1,Sheet 7, Line 24				\$0.4887	
18	Including Cost of Pipeline Retention	Line 16 + 17				\$8.6971	
19	Demand Cost	Sch.1, Sht. 2, Line 9				\$1.3343	
20	Total Expected Gas Cost (EGC)	Line 18 + 19				\$10.0314	

A/ BTU Factor = 1.0584 Dth/MCF

Columbia Gas of Kentucky, Inc.
GCA Unit Demand Cost
Dec 07 - Feb. 08

Schedule No. 1
 Sheet 2

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	
1	Expected Demand Cost: Annual Dec. 2007 - Nov. 2008	Sch. No.1, Sheet 3, Ln. 41	\$20,064,742
2	Less Rate Schedule IS/SS and GSO Customer Demand Charge Recovery	Sch. No.1, Sheet 4, Ln. 10	-\$444,879
3	Less Storage Service Recovery from Delivery Service Customers		-\$254,329
4	Net Demand Cost Applicable 1 + 2 + 3 Projected Annual Demand: Sales + Choice		\$19,365,533
5	At city-gate In Dth Heat content In MCF		15,501,000 Dth 1.0584 Dth/MCF 14,645,692 MCF
6	Lost and Unaccounted - For Factor		0.9%
7	Volume 5 * 6		<u>131,811</u> MCF
8	At Customer Meter 5 - 7		14,513,880 MCF
9	Unit Demand Cost (7 / 10) To Sheet 1, line 19		\$1.3343 per MCF

Columbia Gas of Kentucky, Inc.
Annual Demand Cost of Interstate Pipeline Capacity
 Dec. 2007 - Nov. 2008

Schedule No. 1
 Sheet 3

Line No.	Description	Dth	Monthly Rate \$/Dth	# Months	Expected Annual Demand Cost
Columbia Gas Transmission Corporation					
Firm Storage Service (FSS)					
1	FSS Max Daily Storage Quantity (MDSQ)	220,880	\$1.5050	12	\$3,989,093
2	FSS Seasonal Contract Quantity (SCQ)	11,264,911	\$0.0290	12	\$3,920,189
Storage Service Transportation (SST)					
3	Summer	110,440	\$4.1850	6	\$2,773,148
4	Winter	220,880	\$4.1850	6	\$5,546,297
5	Firm Transportation Service (FTS)	20,014	\$5.9670	12	\$1,433,082
6	Subtotal	sum(1:5)			\$17,661,809
Columbia Gulf Transmission Company					
11	FTS - 1 (Mainline)	28,991	\$3.1450	12	\$1,094,120
Tennessee Gas					
21	Firm Transportation	20,506	\$4.6238	12	\$1,137,788
Central Kentucky Transmission					
31	Firm Transportation	28,000	\$0.5090	12	\$171,024
41	Total. Used on Sheet 2, line 1				\$20,064,742

Columbia Gas of Kentucky, Inc.

Schedule No. 1

Gas Cost Adjustment Clause

Sheet 4

Expected Demand Costs Recovered Annually From Rate Schedule IS/SS and GSO Customers

Dec. 2007 - Nov. 2008

Line No.	Description	Capacity			Units	Annual Cost
		Daily Dth (1)	# Months (2)	Annualized Dth (3) = (1) x (2)		
1	Expected Demand Costs (Per Sheet 3)					\$20,064,742
	City-Gate Capacity:					
	Columbia Gas Transmission					
2	Firm Storage Service - FSS	220,880	12	2,650,560		
3	Firm Transportation Service - FTS	20,014	12	240,168		
4	Central Kentucky Transportation	28,000	12	336,000		
5	Total		2 + 3 + 4	3,226,728	Dth	
6	Divided by Average BTU Factor			1.0584	Dth/MCF	
7	Total Capacity - Annualized		Line 5/ Line 6	3,048,685	Mcf	
	Monthly Unit Expected Demand Cost (EDC) of Daily Capacity					
8	Applicable to Rate Schedules IS/SS and GSO			\$6.5814	/Mcf	
	Line 1 / Line 7					
9	Firm Volumes of IS/SS and GSO Customers	5,633	12	67,596	Mcf	
10	Expected Demand Charges to be Recovered Annually from Rate Schedule IS/SS and GSO Customers				to Sheet 2, line 2	\$444,879
	Line 8 * Line 9					

Columbia Gas of Kentucky, Inc.
Non-Appalachian Supply: Volume and Cost
Dec 07 - Feb. 08

Schedule No. 1
Sheet 5

Cost includes transportation commodity cost and retention by the interstate pipelines,
but excludes pipeline demand costs.
The volumes and costs shown are for sales customers only.

Line No.	Month	Total Flowing Supply Including Gas Injected Into Storage			Net Storage Injection Dth (4)	Net Flowing Supply for Current Consumption	
		Volume A/ Dth (1)	Cost (2)	Unit Cost \$/Dth (3) = (2) / (1)		Volume Dth (5) = (1) + (4)	Cost (6) = (3) x (5)
1	Dec-07	520,000	\$4,176,000	\$8.03	0	520,000	\$4,176,000
2	Jan-08	520,000	\$4,373,000	\$8.41	0	520,000	\$4,373,000
3	Feb-08	486,000	\$4,103,000	\$8.44	0	486,000	\$4,103,000
4	Total 1+2+3	1,526,000	\$12,652,000	\$8.29	0	1,526,000	\$12,652,000

A/ Gross, before retention.

Columbia Gas of Kentucky, Inc.
Appalachian Supply: Volume and Cost
Dec 07 - Feb. 08

Schedule No. 1
Sheet 6

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>Dth</u> (2)	<u>Cost</u> (3)
1	Dec-07	60,000	\$462,000
2	Jan-08	65,000	\$526,000
3	Feb-08	77,000	\$626,000
4	Total 1 + 2 + 3	202,000	\$1,614,000

Columbia Gas of Kentucky, Inc.
Annualized Unit Charge for Gas Retained by Upstream Pipelines
Dec 07 - Feb. 08

Schedule No. 1
Sheet 7

Retention costs are incurred proportionally to the volumes purchased, but recovery of the costs is allocated to quarter by volume consumed.

		Units	Dec 07 - Feb. 08	Mar. - May 08	June - Aug. 08	Sept. - Nov. 08	Annual Dec. 2007 - Nov. 2008
Gas purchased by CKY for the remaining sales customers							
1	Volume	Dth	1,728,000	3,586,000	4,615,000	2,400,000	12,329,000
2	Commodity Cost Including Transportation		\$14,266,000	\$27,821,000	\$36,313,000	\$19,170,000	\$97,570,000
3	Unit cost	\$/Dth					\$7.9139
Consumption by the remaining sales customers							
11	At city gate	Dth	6,350,000	2,634,000	663,000	1,958,000	11,605,000
12	Lost and unaccounted for portion At customer meters		0.90%	0.90%	0.90%	0.90%	
13	In Dth (100% - 12) * 11	Dth	6,292,850	2,610,294	657,033	1,940,378	11,500,555
14	Heat content	Dth/MCF	1.0584	1.0584	1.0584	1.0584	
15	In MCF 13 / 14	MCF	5,945,625	2,466,264	620,779	1,833,313	10,865,982
16	Portion of annual line 15, quarterly / annual		54.7%	22.7%	5.7%	16.9%	100.0%
Gas retained by upstream pipelines							
21	Volume	Dth	201,000	165,000	188,000	117,000	671,000
Cost							
22	Quarterly. Deduct from Sheet 1 3 * 21		To Sheet 1, line 9 \$1,590,686	\$1,305,787	\$1,487,806	\$925,922	\$5,310,201
23	Allocated to quarters by consumption		\$2,905,625	\$1,205,262	\$303,375	\$895,939	\$5,310,201
24	Annualized unit charge 23 / 15	\$/MCF	To Sheet 1, line 17 \$0.4887	\$0.4887	\$0.4887	\$0.4887	\$0.4887

COLUMBIA GAS OF KENTUCKY, INC.

Schedule No. 1

Sheet 8

**DETERMINATION OF THE BANKING AND
BALANCING CHARGE
FOR THE PERIOD BEGINNING DECEMBER 2007**

<u>Line No.</u>	<u>Description</u>	<u>Dth</u>	<u>Detail</u>	<u>Amount For Transportation Customers</u>
1	Total Storage Capacity. Sheet 3, line 4	11,264,911		
2	Net Transportation Volume	12,978,830		
3	Contract Tolerance Level @ 5%	648,942		
4	Percent of Annual Storage Applicable			
5	to Transportation Customers		5.76%	
6	Seasonal Contract Quantity (SCQ)			
7	Rate		\$0.0290	
8	SCQ Charge - Annualized		<u>\$3,920,189</u>	
9	Amount Applicable To Transportation Customers			<u>\$225,803</u>
10	FSS Injection and Withdrawal Charge			
11	Rate		0.0306	
12	Total Cost		<u>\$344,706</u>	
13	Amount Applicable To Transportation Customers			<u>\$19,855</u>
14	SST Commodity Charge			
15	Rate		0.0162	
16	Total Cost		<u>\$150,540</u>	
17	Amount Applicable To Transportation Customers			<u>\$8,671</u>
18	Total Cost Applicable To Transportation Customers			<u>\$254,329</u>
19	Total Transportation Volume - Mcf			18,658,484
20	Flex and Special Contract Transportation Volume - Mcf			(6,395,795)
21	Net Transportation Volume - Mcf	line 19 + line 20		12,262,689
22	Banking and Balancing Rate - Mcf.	Line 18 / line 21. To line 11 of the GCA Comparison		<u>\$0.0207</u>

PIPELINE COMPANY TARIFF SHEETS

Currently Effective Rates
 Applicable to Rate Schedule FTS and NTS
 Rate Per Dth

Commodity	Base Tariff Rate 1/	Transportation Cost		Electric Power		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
		Rate Adjustment Current	Surcharge Current	Costs Adjustment Current	Surcharge Current			
Rate Schedule FTS								
Reservation Charge 3/	\$ 5.618	0.342	-0.015	0.029	-0.007	-	5.967	0.196
Commodity								
Maximum	\$ 1.04	0.20	-0.03	0.25	0.02	0.19	1.67	1.67
Minimum	\$ 1.04	0.20	-0.03	0.25	0.02	0.19	1.67	1.67
Overrun	\$ 19.51	1.32	-0.08	0.35	0.00	0.19	21.29	21.29
Rate Schedule NTS								
Reservation Charge 3/	\$ 7.132	0.342	-0.015	0.029	-0.007	-	7.481	0.246
Commodity								
Maximum	\$ 1.04	0.20	-0.03	0.25	0.02	0.19	1.67	1.67
Minimum	\$ 1.04	0.20	-0.03	0.25	0.02	0.19	1.67	1.67
Overrun	\$ 24.49	1.32	-0.08	0.35	0.00	0.19	26.27	26.27

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 30A.
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.
 3/ Minimum reservation charge is \$0.00.

Columbia Gas Transmission Corporation
 FERC Gas Tariff
 Second Revised Volume No. 1

Eighty-fourth Revised Sheet No. 26
 Superseding
 Eighty-third Revised Sheet No. 26

Currently Effective Rates
 Applicable to Rate Schedule SST and GTS
 Rate Per Dth

Rate Schedule SST Commodity	Reservation Charge 3/	Base Tariff Rate 1/	Transportation Cost Rate Adjustment		Electric Power Costs Adjustment		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
			Current	Surcharge	Current	Surcharge			
Maximum	\$ 5.448	1.02	0.342	-0.015	0.029	-0.007	-	5.797	0.191
Minimum		1.02	0.20	-0.03	0.25	0.02	0.19	1.65	1.65
Overrun		18.93	1.32	-0.08	0.35	0.00	0.19	20.71	20.71
Rate Schedule GTS Commodity									
Maximum		74.83	2.45	-0.13	0.44	-0.03	0.19	77.75	77.75
Minimum		3.08	0.20	-0.13	0.25	-0.03	0.19	3.56	3.56
MFCC		71.75	2.25	0.00	0.19	0.00	-	74.19	74.19

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 30A.
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.
 3/ Minimum reservation charge is \$0.00.

Currently Effective Rates
 Applicable to Rate Schedule FSS, ISS, and SIT
 Rate Per Dth

	Base Tariff Rate 1/	Transportation Cost		Electric Power Costs Adjustment Current	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
		Rate Current	Surcharge				
Rate Schedule FSS							
Reservation Charge	\$ 1.505	-	-	-	-	1.505	0.049
Capacity	¢ 2.90	-	-	-	-	2.90	2.90
Injection	¢ 1.53	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	1.53	1.53
Overrun	¢ -10.91	-	-	-	-	10.91	10.91
Rate Schedule ISS							
Commodity							
Maximum	¢ 5.94	-	-	-	-	5.94	5.94
Minimum	¢ 0.00	-	-	-	-	0.00	0.00
Injection	¢ 1.53	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	1.53	1.53
Rate Schedule SIT							
Commodity							
Maximum	¢ 4.12	-	-	-	-	4.12	4.12
Minimum	¢ 1.53	-	-	-	-	1.53	1.53

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

Currently Effective Rates
 Applicable to Rate Schedule FTS-1
 Rates per Dth

	Base Rate (1) \$	Annual Charge Adjustment (2) \$ 1/	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Unaccounted For (6) %	Company Use and Unaccounted For (7) %
Rate Schedule FTS-1 Rayne, LA To Points North Reservation Charge 2/	3.1450	-	3.1450	3.1450	0.1034	-	-
Commodity Maximum	0.0170	0.0019	0.0189	0.0189	0.0189	0.222	2.499
Minimum	0.0170	0.0019	0.0189	0.0189	0.0189	0.222	2.499
Overrun	0.1204	0.0019	0.1223	0.1223	0.1223	0.222	2.499

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative. i.e., when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (0).

Central Kentucky Transmission Company
 FERC Gas Tariff
 Original Volume No. 1

Third Revised Sheet No. 6
 Superseding
 Substitute Second Revised Sheet No. 6

Currently Effective Rates				
Applicable to Rate Schedules FTS and ITS				
Rate per Dth				
	Base	Annual	Total	Daily
	Tariff Rate	Charge	Effective Rate	Rate
Rate Schedule FTS				
Reservation Charge				
Maximum	\$ 0.509	-	0.509	0.0167
Minimum	\$ 0.509	-	0.509	0.0167
Commodity Charge				
Maximum	¢ 0.00	0.00	0.00	0.00
Minimum	¢ 0.00	0.00	0.00	0.00
Overrun	¢ 1.67	0.00	1.67	1.67
Rate Schedule ITS				
Commodity Charge				
Maximum	¢ 1.67	0.00	1.67	1.67
Minimum	¢ 1.67	0.00	1.67	1.67
RETAINAGE PERCENTAGE				
Transportation Retainage	0.627%			

Issued by: Claire Burum, Sr. Vice President
 Issued on: April 2, 2007

Effective: May 1, 2007

DETAIL SUPPORTING
DEMAND/COMMODITY SPLIT

COLUMBIA GAS OF KENTUCKY

CASE NO. Effective December 2007 Billing Cycle

CALCULATION OF DEMAND/COMMODITY SPLIT OF GAS COST ADJUSTMENT FOR TARIFFS

	\$/MCF	
Demand Component of Gas Cost Adjustment		
Demand Cost of Gas (Schedule No. 1, Sheet 1, Line 19)	\$1.3343	
Demand ACA (Schedule No. 2, Sheet 1, Line 26)	-0.3468	
Refund Adjustment (Schedule No. 4)	-0.0065	
SAS Refund Adjustment (Schedule No. 5)	<u>-0.0002</u>	
Total Demand Rate per Mcf	\$0.9808	<--- to Att. E, line 21

Commodity Component of Gas Cost Adjustment

Commodity Cost of Gas (Schedule No. 1, Sheet 1, Line 18)	\$8.6971
Commodity ACA (Schedule No. 2, Sheet 1, Line 28)	\$0.8850
Balancing Adjustment (Schedule No. 3, Sheet 1, Line 21)	\$0.0211
Gas Cost Incentive Adjustment (Schedule No. 6)	<u>\$0.0051</u>
Total Commodity Rate per Mcf	\$9.6083

CHECK:	\$0.9808
	<u>\$9.6083</u>
COST OF GAS TO TARIFF CUSTOMERS (GCA)	\$10.5891

Calculation of Rate Schedule SVGTS - Actual Gas Cost Adjustment

Commodity ACA (Schedule No. 2, Sheet 1, Line 28)	\$0.8850
Balancing Adjustment (Schedule No. 3, Sheet 1, Line 21)	\$0.0211
Gas Cost Incentive Adjustment (Schedule No. 6)	<u>\$0.0051</u>
Total Commodity Rate per Mcf	\$0.9112

PROPOSED TARIFF SHEETS

COLUMBIA GAS OF KENTUCKY, INC.**CURRENTLY EFFECTIVE BILLING RATES**

<u>SALES SERVICE</u>	<u>Base Rate</u>	<u>Gas Cost Adjustment^{1/}</u>		<u>Total</u>
	<u>Charge</u>	<u>Demand</u>	<u>Commodity</u>	<u>Billing</u>
	\$	\$	\$	\$
<u>RATE SCHEDULE GSR</u>				
Customer Charge per billing period	9.30			9.30
Delivery Charge per Mcf	1.8715	0.9808	9.6083	12.4606
<u>RATE SCHEDULE GSO</u>				
<u>Commercial or Industrial</u>				
Customer Charge per billing period	23.96			23.96
Delivery Charge per Mcf -				
First 50 Mcf or less per billing period	1.8715	0.9808	9.6083	12.4606
Next 350 Mcf per billing period	1.8153	0.9808	9.6083	12.4044
Next 600 Mcf per billing period	1.7296	0.9808	9.6083	12.3187
Over 1,000 Mcf per billing period	1.5802	0.9808	9.6083	12.1693
<u>RATE SCHEDULE IS</u>				
Customer Charge per billing period	547.37			547.37
Delivery Charge per Mcf				
First 30,000 Mcf per billing period	0.5467		9.6083 ^{2/}	10.1550
Over 30,000 Mcf per billing period	0.2905		9.6083 ^{2/}	9.8988
Firm Service Demand Charge				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		6.5814		6.5814
<u>RATE SCHEDULE IUS</u>				
Customer Charge per billing period	255.00			255.00
Delivery Charge per Mcf				
For All Volumes Delivered	0.5905	0.9808	9.6083	11.1796
<p>^{1/} The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff. The Gas Cost Adjustment applicable to a customer who is receiving service under Rate Schedule GS or IUS and received service under Rate Schedule SVGTS shall be \$10.0314 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS</p> <p>^{2/} IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.</p>				

DATE OF ISSUE: October 30, 2007

DATE EFFECTIVE: November 29, 2007
December 2007 Billing

ISSUED BY: Herbert A. Miller, Jr.

President

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

CURRENTLY EFFECTIVE BILLING RATES

(Continued)

<u>TRANSPORTATION SERVICE</u>	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment^{1/}</u> <u>Demand</u> <u>Commodity</u> \$ \$	<u>Total Billing Rate</u> \$
<u>RATE SCHEDULE SS</u>			
Standby Service Demand Charge per Mcf			
Demand Charge times Daily Firm			
Volume (Mcf) in Customer Service Agreement		6.5814	6.5814
Standby Service Commodity Charge per Mcf		9.6083	9.6083
<u>RATE SCHEDULE DS</u>			
Administrative Charge per account per billing period			55.90
Customer Charge per billing period ^{2/}			547.37
Customer Charge per billing period (GDS only)			23.96
Customer Charge per billing period (IUDS only)			255.00
<u>Delivery Charge per Mcf^{2/}</u>			
First 30,000 Mcf	0.5467		0.5467
Over 30,000 Mcf	0.2905		0.2905
– Grandfathered Delivery Service			
First 50 Mcf or less per billing period			1.8715
Next 350 Mcf per billing period			1.8153
Next 600 Mcf per billing period			1.7296
All Over 1,000 Mcf per billing period			1.5802
– Intrastate Utility Delivery Service			
All Volumes per billing period			0.5905
Banking and Balancing Service			
Rate per Mcf		0.0207	0.0207
<u>RATE SCHEDULE MLDS</u>			
Administrative Charge per account each billing period			55.90
Customer Charge per billing period			200.00
Delivery Charge per Mcf			0.0858
Banking and Balancing Service			
Rate per Mcf		0.0207	0.0207
^{1/} The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff.			
^{2/} Applicable to all Rate Schedule DS customers except those served under Grandfathered Delivery Service or Intrastate Utility Delivery Service.			

DATE OF ISSUE: October 30, 2007

DATE EFFECTIVE: November 29, 2007
 December 2007 Billing Cycle

ISSUED BY: Herbert A. Miller, Jr.

President

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

CURRENTLY EFFECTIVE BILLING RATES

<u>RATE SCHEDULE SVGTS</u>	<u>Billing Rate</u>
	\$
<u>General Service Residential</u>	
Customer Charge per billing period	9.30
Delivery Charge per Mcf	1.8715
<u>General Service Other - Commercial or Industrial</u>	
Customer Charge per billing period	23.96
Delivery Charge per Mcf -	
First 50 Mcf or less per billing period	1.8715
Next 350 Mcf per billing period	1.8153
Next 600 Mcf per billing period	1.7296
Over 1,000 Mcf per billing period	1.5802
<u>Intrastate Utility Service</u>	
Customer Charge per billing period	255.00
Delivery Charge per Mcf	\$ 0.5905
<u>Actual Gas Cost Adjustment ^{1/}</u>	
For all volumes per billing period per Mcf	\$ 0.9112
<u>Rate Schedule SVAS</u>	
Balancing Charge – per Mcf	\$ 0.8775

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1/ The Gas Cost Adjustment is applicable to a customer who is receiving service under Rate Schedule SVGTS and received service under Rate Schedule GS or IUS for only those months of the prior twelve months during which they were served under Rate Schedule GS or IUS.

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 President